

Message Text

UNCLASSIFIED

PAGE 01 BERN 03485 201540Z

45-40

ACTION SEC-01

INFO OCT-01 EUR-12 ISO-00 L-03 EB-07 TRSE-00 FRB-01

CIAE-00 INR-07 NSAE-00 /032 W
----- 001473

R 201453Z AUG 75

FM AMEMBASSY BERN

TO SECSTATE WASHDC 1210

UNCLAS BERN 3485

DEPT PASS SEC AND FRB

EO 11652: N/A

TAGS: EFIN SZ

SUBJ: REQUEST FOR US REGULATIONS ON USE OF STOCK AS COLLATERAL

1. AN OFFICIAL OF THE SWISS VOLKSBANK (BANQUE POPULAIRE SUISSE) HAS ASKED THE EMBASSY'S ASSISTANCE IN OBTAINING INFORMATION ON CURRENT US FEDERAL LAWS AND REGULATIONS REGARDING THE USE OF CAPITAL STOCK AS COLLATERAL FOR LOANS. IN RECENT WEEKS, THE VOLKSBANK HAS RECEIVED TWO SEPARATE LOAN APPLICATIONS FROM AMERICAN CITIZENS WHO OFFERED CAPITAL STOCK FROM US FIRMS AS COLLATERAL. IN EACH CASE THE AMERICANS INTENDED TO USE THE LOANS TO PURCHASE MORE STOCK IN US COMPANIES. BECAUSE THE VOLKSBANK HAS RECEIVED CONFLICTING INFORMATION FROM US STOCKBROKERS ABOUT THE LEGALITY OF SUCH TRANSACTIONS, BOTH APPLICATIONS WERE REFUSED. WHILE THE VOLKSBANK OFFICIAL STRESSED THAT SWISS BANKS ARE NOT SUBJECT TO US LAW, HIS BANK'S POLICY IS TO "OBSERVE" US LAW WHENEVER POSSIBLE IN ORDER TO AVOID ANY CONFLICT WITH US AUTHORITIES. ACCORDING TO THE OFFICIAL, EACH OF THE ABOVE LOANS WAS "IN THE LOW SEVEN FIGURES" AND THE VOLKSBANK WOULD LIKE TO HAVE THE BUSINESS IF IT DOES NOT CONTRAVENE US LAW.

2. ACTION REQUESTED: PLEASE PROVIDE COPIES FOR FORWARDING TO THE SWISS VOLKSBANK OF SECURITIES AND EXCHANGE COMMISSION, FEDERAL RESERVE BOARD, OR OTHER FEDERAL LAWS AND REGULATIONS
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 BERN 03485 201540Z

APPLICABLE TO THE USE OF CAPITAL STOCK AS COLLATERAL. RECEIPT

OF ANY OTHER INFORMATION AVAILABLE ON THIS SUBJECT WOULD ALSO BE
APPRECIATED.
ODELL

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: STOCKS (SECURITIES), BANK LAW, BANK LOANS
Control Number: n/a
Copy: SINGLE
Draft Date: 20 AUG 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975BERN03485
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750288-0415
From: BERN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750833/aaaabchl.tel
Line Count: 64
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION SEC
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: hartledg
Review Comment: n/a
Review Content Flags:
Review Date: 12 FEB 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <12 FEB 2003 by ReddocGW>; APPROVED <26 JAN 2004 by hartledg>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: REQUEST FOR US REGULATIONS ON USE OF STOCK AS COLLATERAL
TAGS: EFIN, SZ, US, SWISS VOLKSBANK
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006